(iii) Rationalisation of duty entitlement pass book (DEPB) rates for steel exports has been carried out to boost exports.

(iv) Enhanced project financing to steel sector by All India Financial Institutions and relaxation of ECB norms has been strongly recommended.

(c) Some plants, in some areas, are still using old technology.

(d) The cost of the steel of SAIL is lower as compared to some other steel producing countries like U.K., France, Japan and Germany. However, the cost of Steel has been adversely affected, inter-alia, by higher capital and finance cost, higher power and other tariffs and lower productivity.

Privatisation of SAIL

1199. SHRI ABANI ROY: Will the Minister of STEEL be pleased to state:

(a) whether M/s. Mckinsey and Co., and International consulting firm, has suggested privatisation of SAIL;

(b) if so, the basis on which an International consulting firm has recommended privatisation of SAIL; and

(c) the reaction of Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) and (b) M/s. Mckinsey & Company has recommended in its report "A Competitiveness Plan for SAIL" that the Government of India should consider eventually privatising SAIL after the implementation of the Competitiveness Plan suggested by it. The reasons advanced by the firm are:

(i) SAIL should be freed from the constraints of Government ownership to ensure its long-term survival and profitability in the highly competitive steel industry; and

(ii) The implementation of the Competitiveness Plan will make SAIL attractive to private inventors due to its low cost plants, which will result in better realisation to its shareholders.

(c) The Government has not taken any decision in the matter.